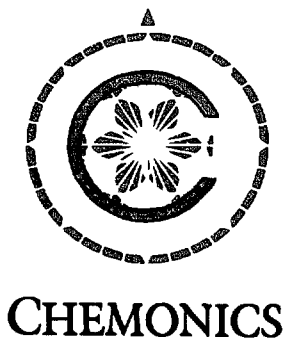


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THE BANKERS' AGRIBUSINESS SKILL ENHANCEMENT (BASE-II) PROGRAM

EVALUATION REPORT



CHEMONICS-ACE
June 1998



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THE BANKERS' AGRIBUSINESS SKILL ENHANCEMENT (BASE-II) PROGRAM EVALUATION REPORT

I Summary

- **Objectives** Under the Financial Sector Training Activity of the ACE Project these are defined as follows
 - a Increased pull by the agribusiness sector through improved technical and managerial capacity of bank officers
 - b Develop "training of trainers" capacity of selected counterpart institutions to ensure that after two stages through this activity, their faculty, curriculum and network allows them to take over this training program on a financially sustainable basis
- **Challenge** The Agribusiness Team of USAID/ India (SPO2), in close consultation with leading partners and customers, found that while capital flows to agribusiness in India should increase substantially to ensure poverty eradication food security, productive jobs and increased trade, the comfort level of most financial intermediaries is low when lending to this sector One important reason for this turned out to be the general lack of expertise in sound agribusiness project appraisal
- **Strategy** To create agribusiness loan appraisal expertise in the country, it was decided to develop and deliver a training program imparting agribusiness loan appraisal skills To demonstrate its efficacy in improving comfort level of the lenders in lending to agribusiness, the course would be offered to a select group of senior officers belonging to agribusiness lending institutions This select group of officers would form part of the agribusiness bankers' alumni network aimed at reducing the information gap by sharing experiences among each other, with support from ICICI-ACE and Chemonics for this exercise

It was also decided that to develop the course in accordance with the specific lending environment of India, especially the felt needs of the loan officers a series of such courses was required By the end of four courses the program would reach a fair level of standardization and could further be offered by any competent domestic agency regularly on a financially sustainable basis Hence the activity would essentially develop and deliver a product imparting agribusiness loan appraisal skills, to be made available to the large set of agribusiness loan appraisers spread through out the country

- **Progress** After the first two courses one at Pune and the other one at Bangalore, it became clear that the course has been successful in the following
 - ▶ convincing the trainees that agribusiness is good commercial opportunity for the banks (refer to annexure 2 for some specific trainee comments)
 - ▶ improving the comfort level of the trainees so that they are ready to look at agribusiness loan proposals more positively and objectively
 - ▶ making the trainees appreciate the usefulness of such training for all agribusiness loan appraisers
 - ▶ making the trainees agree that the information gap could be tackled through the agribusiness bankers' network where information can be exchanged among appraisers and accessed through experts and other sources of information

It is also apparent that

- ▶ The first two courses have greatly helped in modifying and redesigning the course to be able to reach a fair level of standardization
- ▶ To make significant difference in agribusiness lending, officials at the policy making level of the lending institutions need to be made aware of the commercial potential of agribusiness and the usefulness of the course in improving comfort level of the loan officers (refer to annexure 2 for trainee comments) It seems that the banks are hesitating in lending to agribusiness because of the failures witnessed by the sector in recent years One way of achieving this could be through a conference for these officials
- ▶ The course needs to be aligned to the Indian lending environment especially to the needs and expectations of the trainees themselves and to that extent the course content and structure need close evaluation over the first few training programs Case studies, field trips, entrepreneur interaction, panel discussions, breakout groups, team exercises and other tools of learning need to be integrated in the program in the right measure and appropriate proportions to ensure maximum effectiveness of the program on the lending behavior of the trainees

II Fact Sheet

The second Bankers' Agribusiness Skills Enhancement (BASE) Program for banks and other financing and equity investing institutions, working in the area of agribusiness, was conducted at Bangalore from May 25-29 1998

- **Objective** The objective of the training course was to train bankers in understanding and successfully appraising agribusiness projects. The course followed the systems approach to improve understanding of agribusiness and did not focus on providing technical information. The information gap will be tackled through the alumni network where members will share experiences and will be provided support by ICICI-ACE, Chemonics and other experts.
- **Training approach** The training followed an interactive approach rather than pure lectures. Case studies, both International and Indian, and the field trip were integrated for clearer understanding of the trainees. Entrepreneurs and experts in specific areas such as venture finance in agribusiness were invited to speak to the participants and share their experiences. Daily feedback was taken from the trainees regarding the course content, instruction methods and usefulness of the sessions. To gauge the impact of the course on the attitude of the trainees towards agribusiness, two sessions were scheduled - one right at the start and the other at the end of the program. The sessions were led by Mr. Viswanathan. Annexure 2 has a section on the proceedings which were recorded.
- **Participants** Of the nineteen officers who attended the course, thirteen represented the nationalized banks, four private banks, one state financial institution and one NABARD.
- **Faculty** Faculty comprised two foreign experts, Mr. Ralph Chaffee and Dr. Kenneth D. Weiss, two Indian experts Mr. John Hamilton and Mr. P. S. Viswanathan and ICICI-ACE officials.
- **Coordinator and Sponsors** BASE-II was coordinated by Chemonics-ACE with support from ICICI-ACE and sponsored jointly by USAID and ICICI-ACE.
- **Course date and duration** The 5 day long course began on 25 May 1998.
- **Venue** The course was conducted on the premises of the Atria Hotel, Bangalore.

III Planning and Implementation

Recruitment Chemonics took the lead in identifying and inviting suitable organizations for the training course. The target number was 20. The training course was attended by 19 officers. Two officers, Mr. Manivannan of TIDCO and Mr. Rathore of KSIIDC could not attend even after confirming participation. Invitation letters to participants were dispatched about eight weeks before the course to give the invited organizations sufficient time to select and nominate the participants.

Faculty Chemonics-ACE and ICICI-ACE collaborated on identifying core faculty. Mr. Ralph Chaffee, Dr. Kenneth D. Weiss, Mr. John Hamilton, Mr. P. S. Viswanathan and the ICICI-ACE team formed the core team. Some other speakers like Mr. Nitin Deshmukh of the TDICI, Mr. S. Mazumdar of Ken Agrotech and Mr. Hirebet and Mr. Parikh of IQF foods limited were invited to speak on specific issues.

Organizational linkages As stated earlier the USAID objective here is to build institutional capacity in providing agribusiness appraisal skills. Bankers' Institute of Rural Development, Lucknow had shown a lot of enthusiasm in associating with BASE at the Pune course where one of their trainers was participating. However, key BIRD personnel were unavailable for the Bangalore course on account of other engagements. The important thing is that they have shown interest in offering the course on a regular basis once it has reached a fair degree of standardization.

Time Unlike the first BASE training program we did not face shortage of time during BASE-II. Invitations were dispatched about eight weeks in advance.

IV Material

The candidates were handed out a comprehensive set of material over the duration of training course including the BASE Program Handbook, the book by J. E. Austin 'Agroindustrial Project Analysis: Critical Design Factors', World Bank, 1992, and several case studies. They were also given contact information of all participants, Chemonics-ACE and ICICI-ACE.

V Structure and delivery

Course structure and schedule The 5 days of training were broadly divided in the following manner -

- Day 1 Introduction Agribusiness and Agribusiness Lending
- Day 2 Plant Location and Inventory Analysis
- Day 3 Input quality, quantity, timing and procurement, Production Process and Level of Technology
- Day 4 Market Analysis and Marketing
- Day 5 Field trip to two Floriculture units, Venture finance

The training followed an interactive approach including case studies, field trip and entrepreneur interaction, etc. Participants were also encouraged to interact with the faculty in the evenings. Case studies including the ICICI-ACE experience were well integrated into the course structure.

Participant organizations The participants were a mix from nationalized banks and private banks and equity investing institutions including one representative from NABARD.

number Based on the Pune experience, the target number was fixed at twenty to optimize focus of the trainer on participants, interaction among the participants and with faculty, and size of break-out groups for discussion. Nineteen officers participated. Two confirmed participants could not join due to unavoidable reasons.

profile Almost all the participants were bankers except two. Thirteen were from nationalized banks and four from private banks. Most of them had put in a number of years in the agriculture sector, appraising and evaluating loan proposals and monitoring progress, and were facing the problem of lending to good agribusiness projects.

Participant feedback Participants were asked to fill feedback forms on a daily basis giving their ideas about each session and speaker. On the last day, they additionally filled out a form asking for their overall comments and the faculty spent the last session in discussion with the trainees regarding their views on the program. The feedback was discussed at the end of each day with the faculty members to make necessary adjustments. Participants' views were also sought informally during lunch and coffee breaks. Additionally, to study the impact of the training program in making significant change in the mind-set of the trainees, two sessions were scheduled as trainee-faculty interaction sessions.

Some findings from the analysis of overall feedback follow

- 84% of the participants rated the overall course as either excellent or good
- 84% of the participants found the course very informative
- 89% of the participants felt that the course was helpful
- 95% of the participants said they would recommend the course to other colleagues
- 84% of the participants felt that the course would benefit their work

For detailed feedback reports on the overall and the daily program please see annexure 2

VI Outcomes and lessons learnt

Branding Since, BASE is novel in its approach in viewing agribusiness as a system, thus deserving difference in appraisal, the process of building a brand identity for it started with the Pune program. At Pune the participants of both the training course and the workshop appreciated the distinctiveness of the course in its approach to improve agribusiness appraisal skills. The same was true of the Bangalore participants.

Target Audience For maximum impact on agribusiness lending in the country the target audience should include officials at the highest level of the lending institutions. They need to be made aware of the commercial potential of agribusiness and the usefulness of the course in improving comfort level of the loan officers.

BASE Training Program Standardization Two training programs down the line, a lot of faculty and trainee input was generated which has helped in modifying and redesigning the course to create its standardized version. To successfully complete this job what is required is a third BASE program and a two-day conference for the officials at the highest level of the lending institutions.

VII Follow up

BASE Alumni Network For greater effectiveness of the course in improving the comfort level of agribusiness lenders, it is essential to bridge the technical and market information gap. The alumni network is intended to address this issue. Along with the BASE Program alumni, ICICI-ACE, BASE faculty and Chemonics-ACE are proposed to be members. Information and experiences will be shared on a regular basis through this mechanism. Technical support will be provided by ICICI-ACE and Chemonics-ACE consultants. The alumni network would need a minimum of one year's support.

Annexure 1

BASE-II TRAINING PROGRAM PARTICIPANT PROFILE

Training Course Participants Profile

- Mr G Chidambaram, Chief Manager (Hi-Tech Agri Finance Branch) State Bank of Mysore
- Mr B Chinnappa, Senior Manager (LB & PSM) Canara Bank
- Mr B Chinnaswamaiah, Branch Manager (Agri Hi-tech Finance Branch) Union Bank of India
- Mr H L Govardhan, Manager, Canara Bank (Agri Consultancy Services)
- Mr N V Govind Rao, Chief Technical Officer (Agri) , State Bank of Hyderabad
- Mr Sadanada Hegde Regional Manager, Vijaya Bank
- Mr V Krishna Moorthy, Asst General Manager, Staff Training Centre State Bank of Mysore
- Mr A H Krishnanand, Manager Syndicate Bank
- Mr V R Kulkarni, Dy Chief Accounts Officer, Karnataka Agro Industries Corporation
- Mr Joseph Mathew Sr Manager (Agri Finance Div) Federal Bank
- Mr P N Mohandas, Manager (Credit Deptt) State Bank of Travancore
- Mr T K Moza, Assistant General Manager, NABARD
- Mr V Nagaraj Deputy Manager - Agri The Karur Vysya Bank Ltd
- Mr T V Ramesh Babu Senior Officer (Agri), The Vysya Bank Ltd
- Mr L Reddy Branch Manager Corporation Bank
- Mr T Sambasiva Rao Regional Manager Andhra Bank
- Dr B C Suryanarayana Manager (Agri Cons), State Bank of India
- Mr T S Vidya Shankar Manager (RD), State Bank of India
- Mr B Vittal Rao Chief Manager The Karnataka Bank Ltd

Annexure 2

- Overall Evaluation form
- Daily Feedback forms with statistical analysis
- Daily Feedback forms with complete comments
- Minutes Trainee-Faculty Interaction to Assess Change in Mind-set

Overall Evaluation Form

BASE-II, May 25 to May 29, 1998

1 Please rate the overall course?

excellent	very good	good	Satisfactory	Fair
8 (42%)	8 (42%)	2 (11%)	1 (5%)	

2 The course was informative

very	some what	not very
16 (84%)	2 (11%)	1 (5%)

3 The course was helpful

very	some what	not very
17 (89%)	2 (11%)	

4 The course will benefit my work

very much	some	none
16 (84%)	3 (16%)	

5 I would recommend the course to my colleague

yes	no
18 (95%)	1 (5%)

6 The instruction/teaching was

excellent	very good	good	Satisfactory	Fair
5 (26%)	11 (58%)	2 (42%)	1 (5%)	

7 Which part of the course did you find most useful?

- field trip and interaction
- seed, floriculture and corn industry
- floriculture industry field trip and discussion
- floriculture activity
- floriculture field trip and discussion on its productivity quality and marketing

aspects presentation of the industry on gherkin industry scope for development entrepreneur development and study - case "Nilgiri's"

- financing to gherkins
- wholesome coverage, well structured five days program, methods adopted are effective to improve my skills further and make me understand more intensely the data and information which need to be looked into in the decision making process
- case studies, field trips, knowing about gherkin industry, knowledge about potential industries, information, involving foreign faculty enabled us to know the developments on the international plane
- the discussion with and presentation by practical people in the field like seed, gherkin, floriculture and illustrations by faculty
- why India has good potential for agribusiness
- production, marketing and quality control under hi-tech agri projects, well structured, seed business, floriculture and gherkin case, field visit was interesting
- the program on 28th and 29th have given way to enrich and enhance my skills in the field of high-tech floriculture for future adoption
- discussions, case studies, seed industry case
- case studies, discussions with entrepreneurs like Viswanathan and Mazumdar, "Challenging the Mind-set" has helped in taking a new look at agribusiness
- experience of US faculty, illustrations of the projects world over, different aspects to be seen in agribusiness enterprises, case studies, field trip
- marketing, technology and entrepreneur appraisal
- sharing of experiences by Viswanathan in terms of getting better insights in the area of floriculture
- sharing experience by the faculty for better insight into various aspects of agribusiness enterprises

8 What would you recommend for future course?

- more interaction with entrepreneurs
- it should be conducted at regular intervals
- other high-tech agri projects like seed industry, mushroom cultivation, tissue culture etc to be included by inviting experienced promoters
- few more unit visits and the period should be extended
- please include some of the agri industry problems on other sectors like mushroom tissue culture and aquaculture
- topics on horticulture, tomatoes mushrooms bio-fertilizers
- coverage of investments in other sectors of agribusiness activities, live case analysis, relative merits and demerits of various investments in agribusiness in terms of Indian and global context
- field trips - one to a successful unit and other to a failure unit, to know about the reasons of success and failure, for comparison and analysis this batch of participants could be called back after an year for a conference, to know about

their involvement with hi-tech agribusiness, it would be better if the organizations maintain profiles of the participants and pursue further about their outputs from the inputs given now

- include more Indian examples with a wider coverage of agro business project types
- few more case studies of other agribusiness may be included
- it may be difficult to cover every crop/subject, only the important areas that hold potential in the area the participants come from may be included from detailed deliberations
- all the related hi-tech projects like mushroom, tissue culture, etc included apart from technical officials from the banks, policy deciding officials at the higher level could be driven for change in mind-set
- sessions on bio-fertilizers, bio-pesticides, mushrooms, tissue culture, discussion on success stories, reduce sessions on marketing
- interaction with agribusiness and agro-processing units needs to be improved, quality control aspects of agribusiness needs to be covered, WTO/GATT needs to be included
- A few examples like the dairy in the USA can be eliminated as what appeals to one is your own situation
- a review of the performance of existing agribusiness enterprises, more interaction with entrepreneurs
- topics on mushroom and aquaculture would be beneficial
- it should cover a whole gamut of agribusiness - plantation, oil seeds, seed mushroom, tissue culture, etc
- a recapitulation session of 15 minutes at the end of each day by the participants

9 Which parts of the course will benefit your work?

- All parts
- Seed production industry, Floriculture industry Corn industry
- Appraisal of floriculture projects
- Unit visit
- Positive thinking, look beyond the numbers, field trips to floriculture unit
- Floriculture
- Course in entirety is a wholesome and useful
- Case studies field trips knowledge about industries informatics
- The insights into the floriculture and Gherkin Industry as also the basics of agri business location, marketing appraisal - well, shall I say all parts?
- The course would help to improve the understanding of agri business India has good potential for agri business considering our geographical advantage mind-set for agribusiness
- Floriculture and Gherkin projects
- Exclusive project appraisal, overall overseas business scenario dealt with regard to

- floriculture benefits it enriches my skills during field trip to units as well
- Field visit - group discussion, case study
- The exposure given regarding status of agri business in other countries
- Every session had couple of points which would help us in future
- Case studies, field trip, factors to be examined in agri business proposals
- Working in a bank dealing with agriculture and rural development the course contents would be helpful and relevant
- The sharing skills, the presentation skills, getting insights into certain areas like floriculture and Gherkin cultivation
- Parts dealing with material analysis as it is new to most agri activities and at present are discussed in general terms

10 Because of the course are you more inclined to finance agribusiness? Why?

- The various aspects which were not known to me In various fields of agriculture lending are known to me now
- Yes, banker should come forward to finance agri business
- Yes, but only after fully satisfying about the industry prospects and the promoters experience and financial capabilities to absorb unexpected, unforeseen problems at least to a certain extent
- Yes, because of the change in mind set
- Yes Even earlier also we are having positive mind for agri projects and helping agriculturists and entrepreneurs This program has also given some skills to identify the problems of the industry and how to correct them
- Yes It is low risky area except depending on natural factors
- Yes, it made me look later beyond figures and understand other point of view
- Yes, because I know in detail about the intricacies now Agri business is an important sector towards development I can confidently go about the financing now Now a days, people are carrying forward to take up hi-tech agribusiness and hence I have to equip myself with the required knowledge and I am on the way Thanks to ICICI-USAID-Chemonics-ACE Project
- Yes Our mind sets are changed in favor of the agri business sector A little bit of fear that was there in our minds have been set at rest
- Yes During 5 days course by interaction among co-bankers their experience and exchange of knowledge about agri business of other developed countries by the faculty Field trip also helped a lot to know about hi-tech floriculture
- Even before the training, we have been leaders in financing agri business As such it has not changed our perception
- Updated my knowledge Yes, enhanced my appraisal skills
- I am already involved in agri business finance There is not much change in my attitude towards agri finance because of the above cause
- Well do I have any other choice!! I believe that it's the best possible opportunity

in future

- Even before the course - I am inclined to finance agri business. However the course has given more insight/knowledge in this area and consequently more confidence in handling agri business finance
- No, NABARD as an apex bank for agri and rural development is already dealing in such business as a refinancing agency
- Yes. Better knowledge about the business opportunities available in various areas of agriculture
- No. I am inclined to continue to finance agri business. I am more convinced that I am going in the right direction

11. Please summarize your feelings about the course?

- Very useful. My suggestions to conduct such course for entrepreneurs also
- It is excellent training program to lender as well as borrower
- Generally it is good. But interaction with experienced persons in the various fields will definitely improve the back home utility
- Quite useful, particularly because of the presentation by the right people with all experience
- Very good program. Look beyond the numbers - facts and correct them wherever there is a failure and help the entrepreneur. This gives scope to influence my colleagues/officials to strongly discuss on various issues and for development of agri business
- Course was very informative and as a banker I can play a better role in financing to floriculture and other agri business activities
- An excellent opportunity for me to open up my mind which was not either very closed but it helped me to improve my level of thinking and attitude to agri business appraisal and financing
- The course is well planned - well organized - well executed. The purpose of the program has been very well achieved. I am very much benefitted by enriching my knowledge
- Overall, I enjoyed the program thoroughly
- The overall course material, field trip and interaction are good. The course helped to improve the skills in agribusiness
- The course was good, well planned. The guest lectures especially by Mr. John Hamilton, Mr. Mazumdar and Mr. Viswanathan were very informative and useful
- Next to the courses in College of Agricultural Banking at Pune, I have really experienced and enriched with organization faculties including field visit with nice and comfortable arrangements for the program
- Well conceived - well planned - well conducted. Good interaction with faculty members. Good methodology adopted for acquiring more knowledge. Enhanced appraisal skill was very useful to my back home situation
- Course has covered more macro level issues. The exposure given on agribusiness

ventures in India needs improvement. More focus should be given on what should be done under any condition to boost agribusiness development in the country. The deterrents for agribusiness growth and probable solution to overcome such problems were not given proper coverage.

- Great feeling. Relaxed. Liked your style and the way it was organized.
- Course content - By and large coverage is complete. Teaching methodology - was quite effective. Faculty - knowledge and the points of view could put across. Illustrations, case studies, field trips, interaction with entrepreneurs is very informative.
- It was very good and good exposure for further handling the work easily.
- The program is very well focused. Dealt in a professional manner with a variety of presentation modes.
- The course has been planned meticulously, executed exceptionally well. The skeptical feeling I had on the first day has completely vanished.

Daily Feedback Forms with Statistical Analysis

BASE-II Training Program
Daily Feedback Form, May 25, 1998
Total number of responses' 18

PRESENTER	Mr P S Viswanathan			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	8	9		
Teaching Style	11	6		
Subject Knowledge	6	11		
Overall Performance	8	9		
Total	33	35		
Percentage	45 83%	48 61%		

PRESENTER	Mr N G Pai			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	1	12	4	
Teaching Style	1	9	7	
Subject Knowledge	1	12	4	
Overall Performance	1	11	5	
Total	4	44	20	
Percentage	5 56%	61 11%	27 78%	

PRESENTER	Dr Kenneth D Weiss			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	5	13		
Teaching Style	7	11		
Subject Knowledge	4	12	2	
Overall Performance	3	14	1	
Total	19	50	3	
Percentage	26 39%	69 44%	4 17%	

PRESENTER	Mr Ralph Chaffee			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	4	14		
Teaching Style	4	13	1	
Subject Knowledge	3	15		
Overall Performance	3	14	1	
Total	14	56	2	
Percentage	19 44%	77 78%	2 78%	

PRESENTER	Mr John Hamilton			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	7	11		
Teaching Style	6	12		
Subject Knowledge	7	11		
Overall Performance	7	11		
Total	27	45		
Percentage	37 50%	62 50%		

Note In case of no response to a factor by one or more respondents, percentages will not add to 100

BASE-II Training Program
Daily Feedback Form, May 26, 1998
Total number of responses 18

PRESENTER	Mr John Hamilton			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	10	6		
Teaching Style	9	8		
Subject Knowledge	10	7		
Overall Performance	9	8		
Total	38	29		
Percentage	52 78%	40 28%		

PRESENTER	Ralph Chaffee			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	3	14		
Teaching Style	2	13	3	
Subject Knowledge	1	14	1	
Overall Performance		15	1	
Total	6	56	5	
Percentage	8 33%	77 78%	6 94%	

PRESENTER	Keith Sunderlal			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	4	14		
Teaching Style	3	11	3	
Subject Knowledge	2	14	2	
Overall Performance	2	14	2	
Total	11	53	7	
Percentage	15 28%	73 61%	9 72%	

PRESENTER	Mr B Hegde			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	3	15		
Teaching Style	3	11	4	
Subject Knowledge	1	13	3	
Overall Performance	1	14	3	
Total	8	53	10	
Percentage	11 11%	73 61%	13 89%	

Nilgiri's Case Study				
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Concept	6	10	1	
Subject Areas	4	8	5	
Technical Experts	3	10	4	
Format	3	9	3	
Total	16	37	13	
Percentage	22 22%	51 39%	18 06%	

Note In case of no response to a factor by one or more respondents, percentages will not add to 100

BASE-II Training Program
Daily Feedback Form, May 27, 1998
Total number of responses 19

PRESENTER	Mr Ralph Chaffee and Mr John Hamilton			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	8	11		
Teaching Style	6	11	1	
Subject Knowledge	9	9	1	
Overall Performance	7	11	1	
Total	30	42	3	
Percentage	39 47%	55 26%	3 95%	

PRESENTER	Ken Agritech Case Study			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	12	7		
Teaching Style	12	7		
Subject Knowledge	12	7		
Overall Performance	11	8		
Total	47	29		
Percentage	61 84%	38 16%		

PRESENTER	Mr B Hegde			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	5	14		
Teaching Style	3	14	2	
Subject Knowledge	4	15		
Overall Performance	4	15		
Total	16	58	2	
Percentage	21 05%	76 32%	2 63%	

PRESENTER	ABC Foods Case Study			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	6	13		
Teaching Style	4	15		
Subject Knowledge	5	14		
Overall Performance	5	14		
Total	20	56		
Percentage	26 32%	73 68%		

PRESENTER	Dr Kenneth D Weiss & Mr P S Viswanathan			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	10	8		
Teaching Style	8	10		
Subject Knowledge	11	7		
Overall Performance	9	9		
Total	38	34		
Percentage	50 00%	44 74%		

Note In case of no response to a factor by one or more respondents, percentages will not add to 100

BASE-II Training Program				
Daily Feedback Form, May 28, 1998				
Total number of responses 18				

PRESENTER	Mr Ken Weiss			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	7	11		
Teaching Style	3	14	1	
Subject Knowledge	5	12	1	
Overall Performance	3	14	1	
Total	18	51	3	
Percentage	25 00%	70 83%	4 17%	

PRESENTER	Mr P S Viswanathan			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	11	7		
Teaching Style	10	8		
Subject Knowledge	11	7		
Overall Performance	9	9		
Total	41	31		
Percentage	56 94%	43 06%		

PRESENTER	Mr John Hamilton			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	10	7	1	
Teaching Style	6	12		
Subject Knowledge	8	10		
Overall Performance	6	12		
Total	30	41	1	
Percentage	41 67%	56 94%	1 39%	

PRESENTER	Mr K Sunderlal			
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	8	10		
Teaching Style	8	9	1	
Subject Knowledge	8	10		
Overall Performance	7	11		
Total	31	40	1	
Percentage	43 06%	55 56%	1 39%	

Note In case of no response to a factor by one or more respondents, percentages will not add to 100

20

BASE-II Training Program				
Daily Feedback Form, May 29, 1998				
Total number of responses 19				

FIELD TRIP Indo Bloom Floriculture Co				
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Relevance to Program	9	10		
Information Provided	1	5	11	2
Entrepreneur Interaction		2	11	4
Topics Covered	4	11	4	
Choice of Business	2	13	4	
Total	7	31	30	6
Percentage	9 21%	40 79%	39 47%	7 89%

GROUP DISCUSSIONS Indo Bloom Floriculture Co				
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Break-out Groups	7	12		
Group Leader	9	10		
Discussion Focus	6	13		
Participant Interaction	4	12	3	
Learning Experience	6	12	1	
Total	25	47	4	
Percentage	32 89%	61 84%	5 26%	

PRESENTER Mr Nitin Deshmukh				
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	6	10	3	
Teaching Style	2	13	4	
Subject Knowledge	7	9	3	
Total	15	32	10	
Percentage	19 74%	42 11%	13 16%	

Faculty-Trainee interaction P S Viswanathan				
FACTOR	Excellent	Good	Satisfactory	Below Expectations
Sincerity	11	8		
Teaching Style	11	8		
Subject Knowledge	11	7	1	
Overall Performance	11	7		
Total	44	30	1	
Percentage	57 89%	39 47%	1 32%	

Note In case of no response to a factor by one or more respondents, percentages will not add to 100

Daily Feedback Forms with Complete Comments

BASE-II Program, Daily Feedback Form, May 25, 1998

PRESENTER P S Viswanathan	
Comments/Suggestions	Skills/Issue learnt
Hard copies of transparencies may be shared with participants	Analytical skill
	Need for a banking policy in agri Lending
	Prospects of agribusiness in India
	Problems of entrepreneurs
	Provoked discussions and thinking
	Awareness about the nature of agribusiness and the business opportunity it provides to the economy bankers and what is coming in the way of tapping the potential
	Orientation better understanding of potential need of agribusiness investments
	Agribusiness
	Scope for agriculture in India
	Broader vision about agribusiness scope in India

PRESENTER N G Pai	
Comments/Suggestions	Skills/Issue learnt
Introduction of visuals would	Evaluation of agribusiness in India
	Role of ICICI and its success in financing agribusiness
	History
	Role play of organizations need for appreciation of skill in credit management
	Agribusiness
	Reasons behind failure and success of lending
	ACE Project
	ACE concept of financing through ICICI Bank
	ICICI role in development of agribusiness

PRESENTER Kenneth D Weiss	
Comments/Suggestions	Skills/Issue learnt
Come out with a live example	Position of agribusiness in developed countries
	Situation in developing countries (rearding agribusiness)
	Experience of other successful companies
	Pro-active and positive line of planning and support to agribusiness, perspective planning and lending
	Agribusiness
	Lot of scope in India for financing agri projects
	Experience of other countries in agricultural development
	Agricultural sectors growth in other countries
	With all the potentials available there lies good scope for development of agribusiness

PRESENTER Ralph Chaffee	
Comments/Suggestions	Skills/Issue learnt
	Appraisal skill
	Factors to be looked into in agri finance
	Approach to agribusiness lending
	Insights into approaches to lending
	Integration and development of agribusiness
	Agribusiness
	Lending should not be mainly dependent on collateral security
	Project analysis of agricultural projects from bankers' angle
	Inputs and outputs

PRESENTER John Hamilton	
Comments/Suggestions	Skills/Issue learnt
	Ability to communicate
	Very good
	Learnt the agribusiness skills Indian and International
	An overview of agribusiness prospects in India
	Need for testing of agribusiness and scope for it in our country
	Agribusiness in developing countries
	Success experiences showed his conviction
	Subject effectively dealt pro-active approach
	Agribusiness
	Agri Hi-Tech projects are to be financed depending upon sincerity, dependability of the promoter and technical feasibility of the project
	Essence of communication in agricultural development
	To have a market approach for appraisal and not a commercial approach But has he appraised with fixed parameters

Comments on full day's program
Frankly the stumbling block in financing agricultural activities is the higher ranked officials in the bank and not those who are actively involved in it There does not appear to be a direct involvement
Fine for a first day's program
Good discussions Cooperative analysis of agribusiness with other countries
Good arrangement Well conducted impressive
Really thought provoking
Sessions were thought provoking
Excellent
Good and enjoyable Participative and thought provoking session
Good enough
Good
Well designed and well covered Good opportunity to exchange ideas and views
Very satisfactory and good

BASE Program Daily Feedback Form May 26 1998

PRESENTER John Hamilton	
Comments/Suggestions	Skills/Issue learnt
Coverage should have been done in the Indian context	Growth of seed industry in India - the growth process
	Seed supply and growers relationship
	Seed technology - Indian conditions
	Seed industry has got lot of scope for financing
	Status and scope for development of seeds
	Seed industry/business
	Effects of policy change in seed development in 1988
	Overview of development of seed industry

PRESENTER Ralph Chaffee	
Comments/Suggestions	Skills/Issue learnt
	Insights into the plant location - parameters
	Global agribusiness
	Seed technology - measures of success
	Identification of potential vis-a-vis minimum experience for an
	Plant location
	Importance of plant location in implementation of a project
	Locating agri business projects - points to be considered

PRESENTER Keith Sunderlal	
Comments/Suggestions	Skills/Issue learnt
Speech- reduce the speed	HPMC's experience of marketing apples
	Distribution system/Apples
	Dairy industry - Alfalfa hay
	Status of Apple industry in HP/J&K
	Apple industry/business
	Location of projects

PRESENTER B Hegde	
Comments/Suggestions	Skills/Issue learnt
Coverage should have been made on quality control aspects with respect to export of fruits and vegetables	ICICI's experience
Very short time Should have been in more detail	Case study - setting up of new units
	Project location
	How the location is very cheap in setting
	Importance of location specific activities
	Project location
	How location and other related aspects affect the feasibility of a project
	Various aspects of selecting plant location
	Case study

Nilgiri's Case Study	
Comments/Suggestions	Skills/Issue learnt
The site visit should have been made for some successful agri processing industry	Knowledge about retail revolution and how the Department store responded to customer needs over the years and how it plans to spread wings
	Agri- production/processing/marketing
	Nilgiri's growth and their franchise set up Earning the goodwill of the public
	It is an excellent sales market
	The intricacies of seed production companies functioning
	Different aspects in retailing
	Skills in retail trade

Comments on full day's program
Good
Good
Good coverage Nilgiri's case study - well planned - well executed
Educative good expertise and presentation Interactive sessions and enjoyable
Useful day All sessions were useful
Seed industry, Dairy business, Marketing of agri products
Mr John Hamilton's lecture was good Deep knowledge of the speaker gave a good
Insurance cover to seed farms taught
Very good
Satisfactory
Good
Very good
Satisfactory helped me to recapitulate the appraisal process which I am doing at present at
Very good

BASE Program, Daily Feedback Form May 27 1998

PRESENTER Ralph Chaffee & John Hamilton	
Comments/Suggestions	Skills/Issue learnt
	Sourcing of raw materials and organization procure system
	Sourcing of raw materials
	Procurement, processing, sourcing and marketing
	Raw material sourcing
	Raw material - its importance in the success of a project
	Good presentation and stimulating discussions
	Necessity of selecting proper technology
	Sourcing
	Importance of raw material sourcing with reference to quality adequacy and cost

Ken Agntech Case Study	
Comments/Suggestions	Skills/Issue learnt
Most useful from bankers angle	Basic ideas on Gherkin Industry
	The Gherkin Industry and their latest strategy
	A good insight in to Gherkin Industry
	Gherkin Industry Projects scope banker's views
	Appraisal
	Gherkin business
	Gherkin industry - different aspects
	Very stimulating presentation and good home work excellent expertise and knowledge in the field of specialization and long term planning
	An overview of Gherkin Industry
	Good success story
	Establish/management of a agri business project with special over view of Gherkin
	Financing to Gherkin Export units and Gherkin growing farmers with tie-up arrangements is beneficial

PRESENTER B Hegde	
Comments/Suggestions	Skills/Issue learnt
	Case study which educated us to change the project due to less coordination
	ABC Foods Ltd
	Requirements to set up an industry
	Pilot projecting
	Technology
	Production process and level of technology
	Good insight and expertise
	Selection of proper technology

PRESENTER ABC Foods Case Study	
Comments/Suggestions	Skills/Issue learnt
Case study was more informative	Points to be considered for giving an advance
Short time - Better make it a detailed study	It is a new system to sanction project in group discussion
	Learning to seek relevant information
	Appraisal of the ABC Foods Ltd
	Analysis of project
	IQF business unit
	Different aspects to be seen in a agri business project

PRESENTER Ken Weiss & P S Viswanathan	
Comments/Suggestions	Skills/Issue learnt
Focus should be given to current problems facing the industry and to device	Problems in connection with floriculture industry
	About floriculture industry
	Insights into the technology's role in decision/results
	Technology sources floriculture Technology suppliers Technology agreement
	Important factors to set up an industry viz Location climate etc and the technology
	Relevant technology
	Gherkin Industry Rose cut flower, Technology transfer with respect to agri projects Agro processing projects IQF Technology
	Technology
	Technology suitable for the locality/country
	A good day's experience sharing
	Acquired knowledge in floriculture to improve my skill
	Relevance of technology in a agribusiness project

Comments on full day's program
Excellent
Very good
Good
Good
Good discussions which were fruitful
Excellent rapport with participants thought provoking sessions and very well presented Excellent coverage of the topic and participative discussions
Dealt with very useful case studies
Very useful
Very good

BASE Program Daily Feedback Form May 28 1998

PRESENTER Ken Weiss	
Comments/Suggestions	Skills/Issue learnt
Should go into the subject a little more in-depth Number of examples can be cut down	Marketing
Very good command over subject but presentation is not good	Market and Market analysis
Very good presentation on introduction to make justice was done	Well focused approach and stimulating coverage but brief
Good insights into various aspects of marketing Good	What you look if you have to market a product
Well presented and relevant	Market analysis
Subject was interesting	Marketing - Project analysis
Presentation was quite satisfactory	Agro product marketing
Marketing skills in foreign countries may not be applicable locally	Marketing and marketing analysis is an important factor which exporters has to do before approaching a banker for financing assistance
More time may be allotted so that he can go in detail	Various aspects of market analysis
Good presentation	Learnt about sources of market information
It was a very good exposure Well presented	Market analysis
Examples from bank marketing could be included	Market analysis
Aptly dealt	Market analysis - Different aspects to be looked into to explore marketing feasibilities
	Importance on marketing technology for successful running of a agri project
	Only general information on marketing
	Marketing skill
	New areas in export market

PRESENTER P S Viswanathan	
Comments/Suggestions	Skills/Issue learnt
Very good presentation	Market analysis
Presentation is very good and very practical Layman can understand	Floriculture industry
Sweeping statements followed by justification Better make the statements logically	Excellent groups of subject and very good presentation, well reviewed and understood
A new approach to market analysis Price analysis excellent	Market analysis - Domestic and export and varying costs of projects with variable sizes
Presented with all practical touch	Given good glimpse into the problems of floriculture
Subject was dealt in detail and well	Difference between domestic and export market Market information etc
Present status of floriculture marketing was quite satisfactory	Learnt his practical experience about existing floriculture units and their future
He gives practical experience	Marketing strategies
Time found to be short	Problem and solution for floriculture industry General aspects of floriculture industry
Good presentations	Market study and factors affecting the changes in marketability of the products Floriculture project analysis quality Present problems
Excellent approach Very educative about the floriculture industry	Perspective of floriculture industry in India
Very good Full justice was done	Different critical factors affecting floriculture projects
Speech speed to be reduced Physical movement to be reduced	Relevance for adequate marketing technology and adequate inputs for successful implementation of a project
Type of change in policy level may be dealt	Problems related to floriculture industry
	Appraisal skill improved
	Enriched with setbacks/flows in the process of export market

PRESENTER John Hamilton	
Comments/Suggestions	Skills/Issues learnt
Better coverage would probably be possible if more time was available	Market analysis
He has command over subject and good presentation	Corn industry and avoiding of middle man Benefit should go to the farmers
Excellent experience sharing was useful	Well presented
Market plan analysis	Foreign technology in India
Brief presentation	Marketing is important aspect and analysis of the same
Excellent	Market channels Market information
Emerging trends in market strategy were clearly insight	Basic knowledge about marketing
Too speedy in presentation due to the thorough knowledge	Interesting aspects were told about line of industries bankers could take up in future
Good presentation	Planning for marketing
Relevance of having marketing knowledge was very good	New angle in which one should look at a proposal
Examples of different agri crop to be given	Illustrations on different marketing strategies
Elaborate	Relevance of marketing
	General information related to marketing
	Marketing skill
	Alternative source of market for end products at the time of rejection

PRESENTER Keith Sunderlal	
Comments/Suggestions	Skills/Issues learnt
Solutions to problems in floriculture required better coverage	Problems in floriculture and solutions
Very practical even layman can understand his presentation	Well done to stimulate for better appreciation and understanding
Good analysis Logical presentation Lots of new information	Floriculture project in detail
Insights into market analysis Good	Floriculture market analysis How hi-tech when properly adopted will be a success
Humorous presentation	Source of market information
Analysis of the subject was good	Learnt sources of information on marketing "Fun break" is excellent to remember
It has given insight into source of market information	Market analysis and forecasting
Can be elaborated Seems to be too abridged may be due to lack of time	Yes Floriculture or any other proposal needs a vast data to examine the proposal
Good presentation	Different issues suggested by participants on Hi-Tech projects - discussion
Excellent	Problems and scope for development of floriculture
Given full details Very good Very well covered	Certain strategies to be adopted while considering proposals on floriculture
Relevant to the program	Data based analysis present need is a learning point
Global changes on parallel to be dealt	Gained to look out with new concepts with customer

Comments on full day's program
Marketing aspects could be covered with greater depth by allotting a little more time
Very good
Subject is relatively new to me, hence was very interesting Got a very good insight into flower industry, The topics were covered in detail with lot of justifications The topics on market analysis tended to be more on the side of analysis required to be done by the customer rather than by the banker It is better if the whole day's sessions are summarised by the participants in about 15 minutes each day
Excellent and well covered wide number of issues assessments problem solving exercises done well
Moving from generalities in the last 3 days we have moved into specifics of floriculture - business option as a growing business
Quite useful and interesting
Analysis of the project was good Marketing aspects were dealt very nicely
It has given good exposure on export market and what strategy the indigenous producer have to adopt It is desirable that the discussions on few agribusiness marketing is based on the studies made in the field
Strategies to be adopted by bankers to improve floriculture industry under the present circumstances
Really helpful to enhance the existing skills
Well designed Well executed Good arguments opportunity given to every one to ventilate their ideas Good ideas thrown on agri business potential
Brief scenario of the floriculture project, its problems, bankers views
Excellent, but the target group is "wrong"!
Overall - coverage is quite sufficient - illustrations were quite relevant - gave a wide coverage and exposure
Very good Very good exposure on marketing for successful implementation of agri business Problems and solutions for floriculture development
Good Given some idea on the scope of floriculture industry in India
Good Useful in back home situation Good points learnt
Simultaneous developments happening at other exporting industries also to be dealt

BASE Program, Daily Feedback Form May 29 1998

FIELD TRIP Indo Bloom Floriculture Co	
Comments/Suggestions	Skills/Issue learnt
To ensure participation by all the concerned persons and entrepreneurs	
Since the focus of the visit was clear the visit was an excellent opportunity to get an insight of appraisal process	
Next time a better unit could be selected for learning experience	
The visit to the unit was very good to have a first hand information about the floriculture project	
Really two levels of technology, should ought to have been united	
Unit promoter was not available	
We can include other hi-tech activities also	
Very useful	
It is good opportunity provided all trainees to know the problems of entrepreneur We have learnt about floriculture industries in India It is really a practical study of the field	
Most relevant Partia Not fully available, All except finance Correct	
Owner is not available for thread-bear discussion on various tech - economic aspects	
Adaptation of hi-technology may improve the production and profitability of the unit	
Good We would expect better responses in future business activities	
Very useful trip - Practical aspects covered	
Unit needs improved technological system	
We would have loved to discuss things with the higher level personnel in the company	

GROUP DISCUSSIONS Indo Bloom Floriculture Co	
Comments/Suggestions	Skills/Issue learnt
Different aspects of floriculture industry	
Balanced coverage helped to understand the various aspects clearly	
Very well presented and highly participative	
Free and frank with clear ideas The comments were relevant to the project visit	
Did not see much of an interaction between the groups	
Good methodology	
Well conducted	
Better if the rep /entrepreneur is present to make the field visit more useful	
Competent, Confined to the topic, All participated, Fruitful	
Good field trip to know various aspects of the floriculture	
Learnt about real situation of floriculture unit	
Good	
Good interaction among participants, In-depth study/analysis took place	
Discussion was well spiced by the faculty	
Under the given circumstances what was done was the only thing possible	

PRESENTER Nitin Deshmukh	
Comments/Suggestions	Skills/Issue learnt
Venture capital finance in India - Current status and procedure	
Good presentation	
Time factor was limited	
Good to hear about capital ventures	
No comments	
More time required	
Only general introduction Given some information on TDICI	
Information	
He has covered lot more things in very short period	

To speedy May be done to lack of time	
Time is short for explaining the concept of venture capital	
Good	
But for time he would have done exceedingly well However useful discussion/information	
The venture capital is not popular now	
Excellent performance	

Faculty-Trainee Interaction P S Viswanathan	
Comments/Suggestions	Skills/Issue learnt
Views of the trainees on the program	
I felt that the participants missed the points - The focus of the program was on looking beyond numbers	
It was the best way for interaction with all the participants	
Reactions are brought out	
Good presenter with very good systems	
Being an experienced floriculture - given detailed ups and downs of the floriculture industry	
In-depth knowledge and commitment for the industry is just wonderful	
Some trainees were given too much time	
Positive mind for agri projects	
Excellent	
Very good mode of conducting the valedictory session Good summing up	
Possessing knowledge in all areas	
Faculty patiently heard the participants	

Comments on full day's program
A day's satisfying experience brought to sharp focus the purpose of the program look beyond the numbers
Even though the day's activities were strenuous the learning experience with a first hand gaining of knowledge followed by discussion was excellent
Very good
Long drawn and little tiring The field visit should have been completed a day or two earlier which would have facilitated more meaningful discussions It is well conceived but would lead to better results if the participants targeted are the sanctioning authorities in the bank like the Asstt General Manager/General Manager/Dy Manager Only this can turn proposals into business Must also compliment Ms Shalini Kala for the wonderful and smooth arrangements Do you think such interactions can be had with our DGM/GM if one day programs are organized by us Can we talk more about this and how it can be organized?
This program has given good exposure on ground realities in hi-tech projects specially floriculture
Extremely good for exposing ourselves to interact with entrepreneurs and know things at field level/marketing level by actively visualizing the facts etc tempts and tunes our mind set
Useful program Effective
Well organized and well conducted
The program was good and in facilitating analysis and the observation by groups was very thoughtful
Excellent
Good Look beyond the numbers and study the failure of the agri project and help them Even new venture in agri has to be studied separately
Field trip to floriculture unit was very useful
Field trip was extremely useful to understand the point of view of entrepreneur and his business performance Interactive session was well received and coverage is good
Field trip well planned - well organized - well executed Very useful discussions and exchange of views
Quite good and useful
The day's events in general and field visit in particular was refreshing

Minutes Trainee-Faculty Interaction to Assess Change in Mind-set, May 25, 1998
BASE-II, Bangalore

The two sessions to assess change in mind-set were led by Mr. Viswanathan. In the first session he posed certain questions which elicited a number of trainee responses. Details of the sessions follow.

What is a "high-tech branch" and what is its focus/mandate?

- a Focus on agriculture
- b Technology in agriculture
- c Branches manned by specialists
- d Minimum size of loan (small and marginal loans not entertained)
- e Quick decisions

What is "High-tech"?

- a Investment of high order
- b Advanced technology compared to traditional agri or related operations
- c High value items
- d Advanced technology/controlled conditions/higher output/better quality output
- e Whatever is new to the bankers analysis to be done by technically sound people

Typical projects that you appraise and lend to at this point in time?

- a Poultry
- b Floriculture
- c Tissue culture
- d Aquaculture
- e Coffee Tea
- f Inland fisheries
- g Horticulture
- h Vermiculture
- i Horticulture Processing

Food processing is categorized as industry. However, if the project entails both growing and processing, it comes under agriculture.

Is agriculture an industry or not?

- a Only a matter for classification/nomenclature
- b If industry - then can receive industry association lobby support (CII FICCI etc)
- c It is a matter of convenience - need to achieve certain percentages within the bank (indicates reluctance to lend)

Among the projects that you have lent to, categorise them as easy to appraise, difficult to appraise and the rest as mid-level

Easy to appraise	Mid-level	Difficult to appraise
Plantation crop (Tea, Coffee) Vermiculture Hort Processing Warehousing/Cold storage Poultry	Floriculture Aquaculture Inland fisheries	Tissue Mushroom

Factors contributing to ease of appraisal

- a Knowledge of the activity
- b No of parameters are available
- c Standardized parameters are available
Information
Database
Spread Time and Geography
- d Many years old - plantation etc
- e Horticulture is easy to appraise because number of parameters to be examined is fewer and information is available in a much shorter period of time, whereas in tissue culture need to have information on 100 or so parameters to say whether viable or not

Pai "But horti a very wide canvas, exotic fruits, etc "

Difficult to appraise Why?

- a Technical aspects and transfer of technology
- b Marketing aspects specially in export markets
- c Process, inputs, outputs - information on these aspects not available easily
- d Information is not a problem, but the time consumed in appraisal and collection of information is, for e g I can assess a Rs 10 crore poultry project is half a day while a Rs 2-3 crore tissue culture project will take me 15 days,

that is why it is difficult

In sum knowledge gap, information gap, ability to understand technology market sizes are factors which contribute to degree of difficulty in appraising

Success rate helps in encouraging investment in the industry while failures discourage investment in that area The factor is familiarity of the loan officer/bank with appraising a project

"It is not difficult to appraise any project"

When the RBI sets loan norms for a certain area it is easier for the bankers

Among the projects that you have lent to, categorise them under the heads of low risk, high risk and medium

Low Risk	Medium Risk	High Risk
Plantation crops Poultry	Vermiculture Inland fisheries Warehousing Cold storage Hort Processing	Floriculture Aquaculture Tissue culture Mushroom

Why low risk?

- a Poultry - Eggs are low risk because of a very strong market lobby (National Egg Company) which has been able to stabilize prices However in case of broilers there is cutthroat competition among 2/3 heavy weight leaders and invariably they try to cut each other and that is a failure Strong marketing lobby will put industry in the low risk area
- b Easy to monitor
- c Manageable size
- d Easier to trace failure and take corrective measures Low dependence on external factors, outside the control of the entrepreneurs
- e Locally (indigenously) available inputs no imports
- f Purely domestic operations, no exports-no imports
- g Non perishable/long economic life
- h Comfortable levels of collateral (large tracts of land in case of plantation crops the value of which is high)

Why high risk?

- a Heavy dependence on outside
- b Export-oriented
- c Need perfect implementation for success, even slightest error can lead to failure
- d New technology - adaptation and absorption takes time
- e Variability in yield and variability in quality
- f Unpredictable prices
- g Herd mentality When there is an opportunity, the pioneers came in with a lot of homework and understanding of the business and are successful then it becomes a fashion So high risk entrepreneurs rush without doing much homework
- h Lack of infrastructure
- i Database and information
- j Non trade barriers in the international markets
- k Lack of exposure of our entrepreneurs to sell in export markets Lack of exposure of the bankers too to such industries

PV - "In a small farmer - small loan situation, there is a degree of comfort but in case of a modern farmer - high investment situation there is suspicion and threat Basically because I (banker) do not have resources or knowledge to verify his information "

Does a bankers really need to know anything and everything about a project in order to be able to appraise it?

- a It is necessary that the banker understand the project very well to have a more meaningful appraisal
- b At higher levels, many a times projects are turned down Officials at that level do not have full knowledge of the project
- c Entrepreneur is very important to financing a project
- d A bank may not be knowledgeable Information can be accessed from other resources
- e The commitment of outsider to the bank is low
- f You can access information, opinion etc beyond bank's capability from other sources but the judgement has to be of the bank

Minutes Trainee-Faculty Interaction to Assess Change in Mind-set, May 29, 1998
BASE-II, Bangalore

In this session, which was again led by Mr Viswanathan, comments on the five days of the training program were solicited from the trainees. Details of the session follow

- **S Hegde** Thanks for everything. Overall performance is good. All that I have learned will help me in the appraisal process and my attitude towards agribusiness has improved. Gathered extra knowledge about agribusiness and shared information and opinion with other delegates. My spirit towards agribusiness is very optimistic.
- **V Shankar** Attempt to orient the banker's mind, has been excellent but you have not really targeted the right group. All the bankers here are committed to agribusiness but the stumbling block is not this group, it is elsewhere and that is how the mind-set in the banks exists that agribusiness is not a good industry. In the banking systems, over the years, agribusiness has been looked at in various ways and there is still a lot of hesitation, especially among the higher ups who really matter in the development of this sector because they are the sanctioning authority. There is a hierarchy which prevents development of the sector.
- **Mohandas** Most sessions were confined to floriculture. Some other things could have been discussed for e.g. Seed production technology etc. Aquaculture is almost a gone case. However, Mushrooms, Tissue culture could have been touched upon. Overall this program has taught us to look beyond numbers.
- **Govardhan** The most important high-tech project from the bankers angle are aquaculture, floriculture, mushroom, tissue etc. but none of these are doing well. Why? These reasons and solutions could have been brought out here and information about viable and successful units could have been shared. Most examples here were based on what has happened in other countries and what is their relevance to our situation was not brought out clearly. Could have called in some more entrepreneurs to know the problem and see how best the situation can be tackled.
- **L Reddy** As far as content is concerned it was good and well-structured, method of instruction - In India we are used to lectures however faculty from the west are generally more interactive, illustrations were fantastic and have given good exposure. Coverage was very good, what best can be done in five days.
- **Chidambaram** Problems facing the various agribusiness industries and solutions. Entire focus of the course was on that. I find that we have developed those skills now and using these skills we should be able to, if not set right the problems at least understand and appreciate these problems.

- **Sambasiva Rao** The program is very timely in India. I have benefitted a lot from interactions with colleagues and faculty. I am going back with confidence to advice friends and relatives who intend taking up these projects.

Comments on differential treatment of agricultural and industrial proposals during appraisal

- Yes, in agriculture you are dealing with living things while in industry not so. In industry you know for sure what output you would get, given the inputs. In case of agriculture, the variables to be controlled are several and providing controlled climate is very costly. That limits production capability to some extent.
- Only with regard to appraisal, you may have to look at industry and agriculture differently but when it comes to the credit decision, it is the same.

Annexure 3

- Suggestions of Dr Kenneth D Weiss and Mr Ralph Chaffee
- Suggestions of Mr John Hamilton

Suggestions of Dr Kenneth D Weiss and Mr Ralph Chaffee

Summary of Comments

Overall, we feel that BASE II substantially achieved its objectives. Several of the participants clearly emerged with more positive attitudes about agribusiness lending and increased knowledge of how to do it successfully. Some of the sessions, such as the Cargill, IQF and gherkin case studies, were very well conceived and executed.

On the other hand, we feel that though the Bangalore program was a definite improvement over the Pune one, we could firm up the course structure in BASE-III so that the various presentations lead in an orderly way to the result we intend to achieve. More case studies can be added and strengthened and field trips can be given greater focus.

Thus, Base-III should feature a few good case studies, Indian and foreign, that clearly bring out the importance of the entrepreneur and the systems approach to agribusiness.

Summary of Proceedings

Some of the most important points made during the seminar were as follows:

- Financing of high tech agriculture is still fairly new in India but has been developing rapidly.
- Increased agribusiness will have important benefits for banks in India and for the country as a whole.
- All other countries that have developed rapidly in agribusiness have stumbled and fallen along the way, but they have recovered and forged ahead.
- There is a traditional mind-set that makes it hard for Indian institutions such as banks to take on new kinds of activities. This mind-set was broken in the seed industry with important benefits for all parties concerned.
- Plant location decisions are critical, location of raw materials and markets are only two of the factors that should be considered.
- Agricultural inputs can be successfully sourced in India through contract farming if it is done correctly with mutual trust and honesty.
- Demand is developing rapidly in the Indian middle class for good quality packaged consumer goods.
- Banks should encourage borrowers to evaluate various processes and levels of technology to increase their chances of selecting the most profitable ones.
- An examination of the market for a product should include technical analysis, market fundamentals and opinions of buyers.
- Entrepreneurs should have workable marketing plans that begin with target

- markets and carry through to monitoring and evaluation
- Floriculture units appear to be more profitable if they have the technology needed to reduce uncertainties in production, harvesting and packing
- Venture capitalists can work with banks to finance agribusiness ventures

Recommendations for BASE III

Participants in BASE III will

- Come to see the benefits of working mainly with small agro-entrepreneurs as well as well capitalized larger ones
- Learn more about evaluating the potential of an entrepreneur to succeed in agribusiness, recognizing that lack of capital is a serious constraint
- Learn more about evaluating the technical feasibility of a proposed agribusiness venture

Therefore, the schedule should include the following

- More thorough introductions of the participants and the faculty, with reference to the skills and knowledge that each one brings to the seminar
- A case study of similar loan proposals by small, large but poorly financed and large well financed entrepreneurs, with discussions of which one(s) to lend to and why (without getting into quantitative aspects of the proposals)
- A case study of similar proposals by large, well financed entrepreneurs with different characteristics, with discussions of which one(s) to lend to and why (without getting into quantitative aspects of the proposals)
- Case studies in various kinds of agribusiness (floriculture, aquaculture etc), with discussions of evaluating them from the points of view of raw materials procurement production or processing and marketing
- Two field trips to units that are operating profitably with analyses of the reasons for their success

This implies that the cases should be obtained or developed ahead of time and that the faculty should all have experience in teaching by the case method. Also, time should be set aside in the schedule for reading and small group discussions

Suggestions of Mr John Hamilton

Regarding BASE-II

- The majority of the group understood the message but it would be extremely helpful if are able to give them a tangible, visible, identifiable "tool" or "process" to carry back to home base
- I sensed resistance to some of the foreign examples used
- Keith, in future, needs to play a stronger "anchor" role Less passive

On the whole I think the week was productive, those present will apply some of what they learned

For BASE-III

- I think it will be useful to focus on giving the attendees something they can take away, a tool or process And we should give it a name [APAP - Agri Project Appraisal Process] Even if it is in some way similar to current practice it will still be useful
- Further, as was discussed earlier, we need to recognize there was an expectation amongst the group that there were to be discussions of different project technologies The bankers saw BASE as a source of technology

Accordingly I would suggest that we build a course with focus on in-class development of a tool for "total project appraisal", APAP We can dissect any project into logical components,

- product/product research
- production/sourcing- processing/packing
- shipping
- marketing

and evaluate each component in detail

We can use a "cause/effect" approach and a "what if ?" approach, to evaluate the logic/suitability/conformance of the process/technology served up by the entrepreneur/bank customer This 'cause/effect' process is highly inter-active in the class environment and can be the mechanism to satisfy the desire to learn/absorb new technology It will not teach technology per se, but will help the banker to ask the right questions to gauge the relevance of same At the end of the course the banker would take away a 'tool', the use of which demands a change in mind-set